

Before the  
**FEDERAL COMMUNICATIONS COMMISSION**  
Washington, DC 20554

In the Matter of	)	
	)	
In the Matter of Implementation of	)	
Update Default Compensation Rate for	)	WC Docket No. 03-225
Dial-Around Calls from Payphones	)	RM No. 10568
 Emergency Motion for Stay of	)	
The International Prepaid	)	
Communications Association	)	

The International Prepaid Communications Association ("IPCA") asks the Commission to

stay its order modifying the default rate of payphone compensation for “dial-around” calls set forth in section 64.1300(c) of Commission rules.

Simultaneously, the IPCA has petitioned the Commission to reconsider its order.

The IPCA seeks the stay to stop irreparable harm to prepaid phonecard providers, to phonecard distributors and phonecard issuers.

IPCA seeks the stay to stop massive confusion amongst consumers.

IPCA seeks the stay to prevent harm to poor, disadvantaged and phoneless consumers.

In adopting its rule, with an effective date mere weeks after announcing it, the Commission put the prepaid phonecard industry in an untenable position. Cards printed and in storage, cards in distributors’ hands, cards on retail shelves, and cards in consumers’ hands have been produced with a DAC charge to cover the costs of the previous default rate of payphone compensation of \$0.24 per completed call. Companies that do not change the rates charged customers to pay the new higher fees stand to lose money on every payphone call -- threatening their financial stability and even their continued existence. An alternative, to raise the fees, risks massive confusion on the part of the

consumer and possible charges of misleading the consumer. The Commission ignored this issue in its Order.

The Commission did not consider the alternative of “grandfathering” of extant phonecards.

The Commission relied on false data in determining the number of small businesses affected. It assumes that there are 37 phonecard providers 36 of which qualify as small businesses. A figure that is ludicrous on its face –The state of Florida alone has 172 companies registered. Industry publications and experts estimate the total from 500 – 1,000.

Fourthly, the Commission has ignored the impact of this order on the poor and disadvantaged and the counter-productive impact the order will have on the Commission’s policy goal of universal service. Phonecards provide the least expensive means of making long distance calls for those without home phone service, or without home long distance service.

It is not widely recognized that the prepaid phonecard industry would not have grown as fast as it did had not the deregulation of payphone long-distance rates resulted in often-confiscatory rates imposed on those who used credit cards or deposited coins. Phonecards allowed the consumer to avoid such rates. Today, they continue to offer the most economical way of obtaining long distance service. Phonecards serve 50,000,000 million persons regularly and 61% of the population at least once per year.

Added facts and discussion are contained in the IPCA Petition for Reconsideration also filed on this day.

Respectfully submitted,

THE INTERNATIONAL PREPAID COMMUNICATIONS  
ASSOCIATION, INC.

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